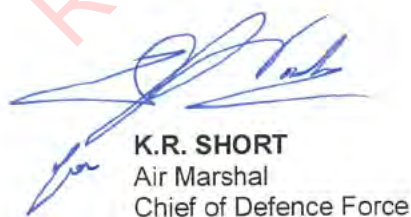




NEW ZEALAND DEFENCE FORCE COVER SHEET

To accompany documents to the
Minister of Defence

| | | | | |
|--|---|--|---|-----------------------------------|
| Title: | STOCKTAKE OF THE DEFENCE ESTATE | | | |
| NZDF File No. | NZDF Tracking # 2018-431 (For OCDF Use Only) | | Minister's Tracking#: (For Minister's office) | |
| Importance of the Issue: | <input type="checkbox"/> High | <input checked="" type="checkbox"/> Moderate | <input type="checkbox"/> Routine | |
| Urgency for Attention/Sign-Off: | NOT URGENT | | Request Ministerial response by: Not required. | |
| Contacts: | 1. Deb Godinet 2. s. 9(2)(a) | | Tel: ss 9(2)(a) & 9(2)(k) Tel: | A/H: ss 9(2)(a) & 9(2)(k) A/H: |
| Purpose: | To respond to the information request from your office on 3 September for a stocktake of the Defence Estate. | | | |
| Recommendations: | <p>I recommend that you:</p> <ul style="list-style-type: none"> a. Note that the Defence Estate assets are aged and outdated; the vast majority are over halfway through their useable life and 78% should be replaced in the next 30 years. b. Note that 41% of the Estate is barely meeting, or failing to meet, functional requirements and most of these assets support living or shared services. c. Note that comparative information from other state agencies is not held by the Defence Force and can be commissioned. d. Note that the areas of particular or urgent need are driven by both the effects of ageing on the Estate, changing Defence Force operational requirements and new capabilities. | | | |
| MOD/NZDF Consultation | Not required: NZDF matter only. | | | |
| Minister's comments: | | | | |
| Minister's Action: | Signed / Noted / Agreed / Approved / Declined / Discussion required Referred to: | | | |
| Signature: | Date: | | | |


K.R. SHORT
Air Marshal
Chief of Defence Force

Date: 26 September 2018

NTM 2018-431

26 September 2018

Minister of Defence

STOCKTAKE OF THE DEFENCE ESTATE

Purpose

1. This note responds to the information request from your office on 3 September for a stocktake of the Defence Estate, specifically:

'A stocktake from Defence on the state of the Defence Estate. Thinking an assessment of age, condition, state of buildings, areas of particular urgent need etc. Comparisons to modern buildings, or the relative standards/conditions of comparable state sector assets would also be useful. Understand there might be a 2016 report that covers some of this that could be updated?'

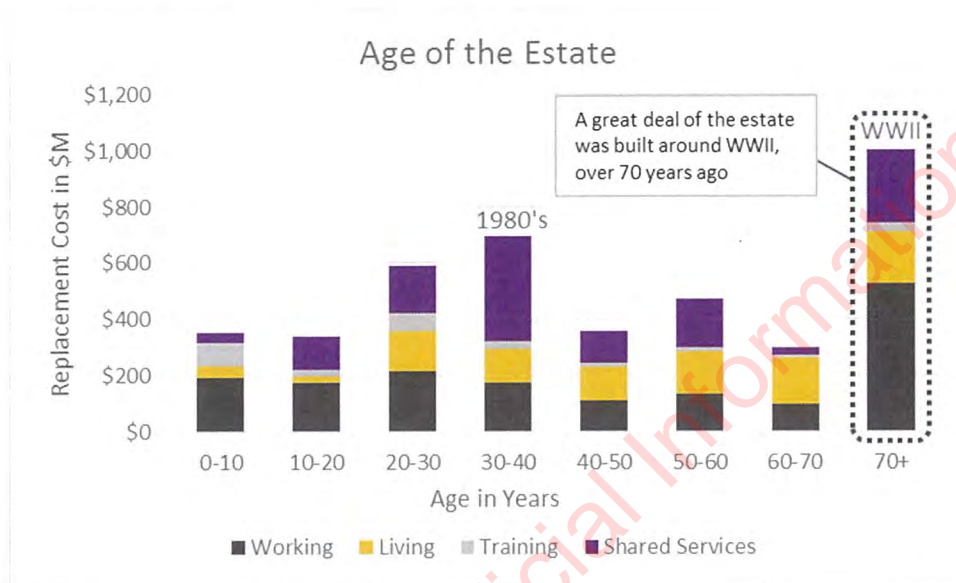
Background

2. The Defence White Paper 2016 states "as part of its planned regeneration of the Defence Estate, the Defence Force will modernise infrastructure, facilities and training areas, consolidating these where it makes sense to do so." It will also "ensure personnel have access to safe facilities that comply with New Zealand health and safety standards."
3. The Defence Estate Regeneration Plan 2016 highlights key challenges as they relate to the Estate, the opportunities, the benefits, the approach and the delivery of Estate Regeneration out to 2030. The focus of delivery includes a "ramping up" to 2020 with a focus on health, safety and compliance, "major investment" out to 2025 and "investment stabilisation" out to 2030.
4. The Defence Estate Regeneration Plan broadly categorises the Estate into the following environments:
 - a. **Working:** Assets directly supporting military capability and outputs such as airfields, wharves, workshops, armouries and storage facilities;
 - b. **Living:** Accommodation facilities such as barracks and housing and related services including messes and canteens, and community and health centres;
 - c. **Training:** Built training facilities and large tracts of land required for ranges and field training exercises; and

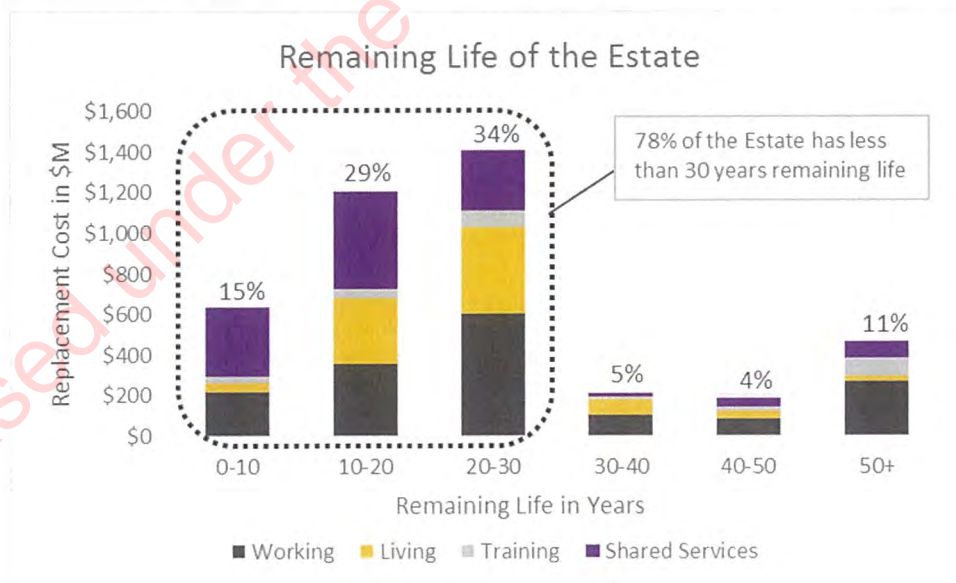
- d. **Shared:** Above and below ground network utility services and infrastructure such as roads and pavements, water supply, waste water and gas, electricity and communication infrastructure.

Stocktake of the Defence Estate

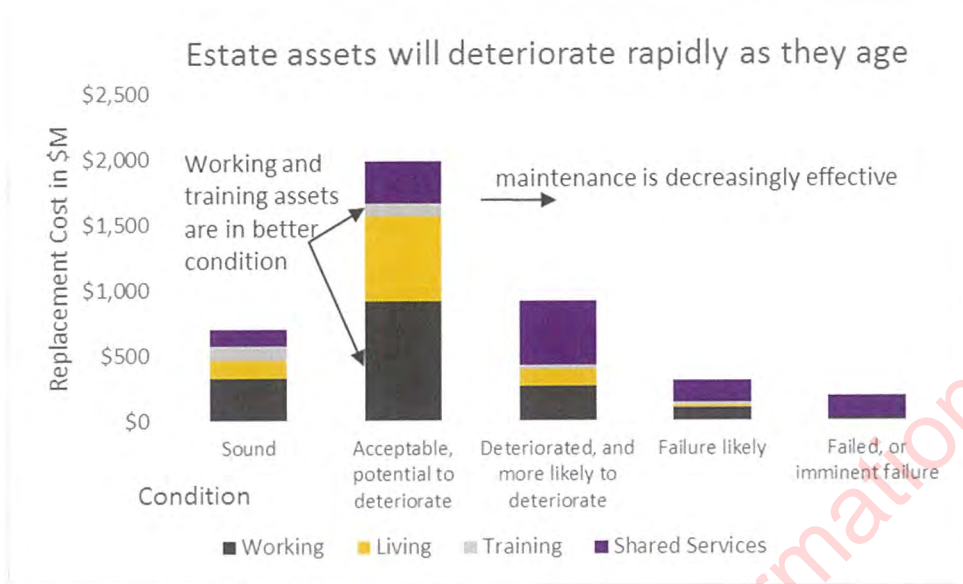
5. The Defence Force vision for its Estate is to have a fit-for-purpose and sustainable Estate that enables the delivery of Defence outputs; however, much of the Estate is old and outdated.



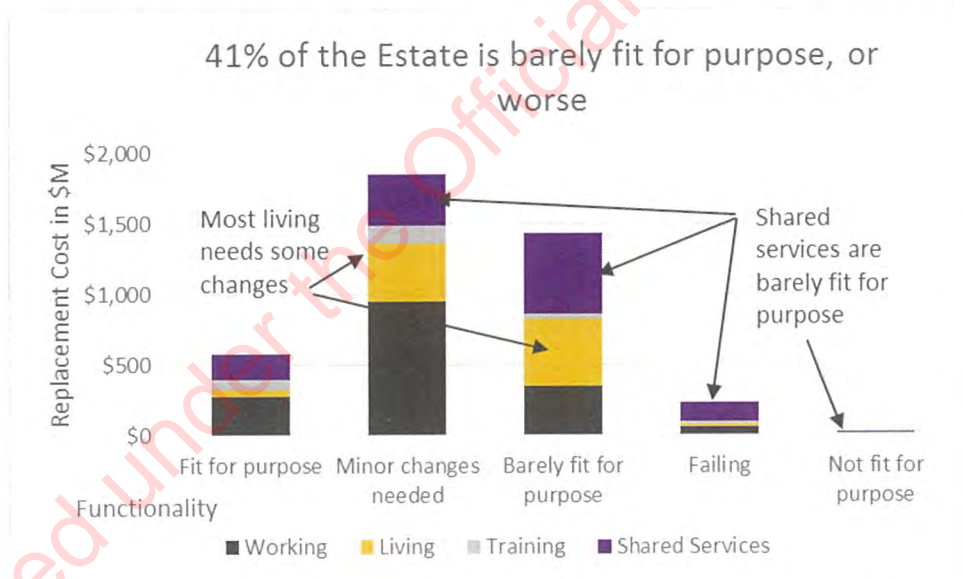
6. As a consequence, the vast majority of the Estate is well over halfway through its useful life and should be replaced in the next 30 years.



7. As the Estate assets reach the end of their life, maintenance costs will accelerate for limited improvement in condition.



8. The Estate's fitness for purpose will also deteriorate as it ages. Living facilities are no longer meeting the needs of a diverse and inclusive organisation, and are largely unfit for purpose. Shared services are also increasingly unfit for purpose.



Comparable Stocktakes

9. The Defence Force does not hold any comparable information for other state sector agencies. This comparison can be separately commissioned.

Areas of Particular or Urgent Need

10. The drivers for particular or urgent investment need include:

- the living environment is old, outdated, and increasingly unfit for purpose;

- b. infrastructure, especially the water supply and treatment utilities, electricity and heating, require significant investment to re-establish reliable capacity (the Defence Estate Regeneration Plan did not specifically address the need for utilities or underground infrastructure regeneration);
- c. changing operational capability requirements, e.g. the P8 airframes; and
- d. statutory compliance requirements including for health and safety.

11. Annex A provides more detail from the Defence Estate Asset Management Plans on areas of particular or urgent need for investment.

Recommendations

12. I recommend that you:

- a. **Note** that the Defence Estate assets are aged and outdated; the vast majority are over halfway through their useable life and 78% should be replaced in the next 30 years.
- b. **Note** that 41% of the Estate is barely meeting, or failing to meet, functional requirements and most of these assets support living or shared services.
- c. **Note** that comparative information from other state agencies is not held by the Defence Force and can be commissioned.
- d. **Note** that the areas of particular or urgent need are driven by both the effects of ageing on the Estate, changing Defence Force operational requirements and new capabilities.



K.R. SHORT
Air Marshal
Chief of Defence Force

Annex:

A. Areas of Particular or Urgent Need of Defence Estate Investment.

AREAS OF PARTICULAR OR URGENT NEED OF DEFENCE ESTATE INVESTMENT

1. Assets in particular or urgent need of investment are categorised by a condition rating of poor or very poor, are required to meet regulatory compliance, pose a health and safety risk, or are required to support the changing operational capability requirements of the Defence Force.

2. Assets with a condition rating of poor or very poor are reaching the end of their useable life, require greater maintenance expenditure for less benefit, can pose health and safety and compliance risks, and may lead to reduced or loss of camp/base operational function.

3. Estate assets in urgent need of investment are highlighted below in two groupings:

a. **Buildings in urgent need of investment:**

- (1) Barracks over 50 years of age and past the end of their useable life at Burnham, Ohakea, Waiouru, and Trentham; particularly those not meeting the minimum living standard.
- (2) A total of 47 potentially earthquake prone buildings across the country. Earthquake prone buildings, under the Building Act 2004, means the building will have its ultimate capacity exceeded in a moderate earthquake and if it were to collapse, would do so in a way that is likely to cause injury or death to persons in or near the building or on other property, or damage to other property.
- (3) A total of 328 buildings, predominantly in the working environment, nearing the end of their useable life that no longer provide the required operational functionality. These buildings are experiencing rapid degradation of roofs and external cladding, and may also pose a health and safety risk.

b. **Other infrastructure in urgent need of investment (e.g. water networks, fencing, roading, and electrical networks):**

- (1) Potable water, wastewater and storm water networks are generally in poor condition, with a number of infrastructure upgrades required to gain compliance with drinking water standards and Resource Management Act requirements. Failure of these networks could result in public health risks and inability of camps/bases to support operations.
- (2) Roading carriageways on all sites (except Trentham and Woodbourne) are in poor to very poor condition.

- (3) Electrical networks and switchboards at Burnham, Linton, Trentham and Whenuapai are in poor to very poor condition.
- (4) A lack of perimeter security fencing has been highlighted in at least three sites, including Woodbourne, Whenuapai and Burnham.

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